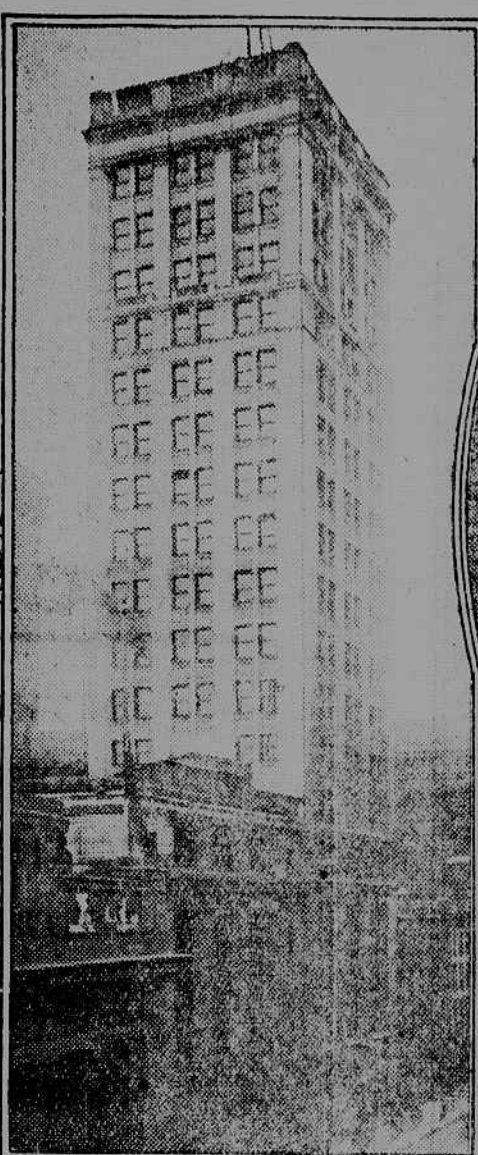


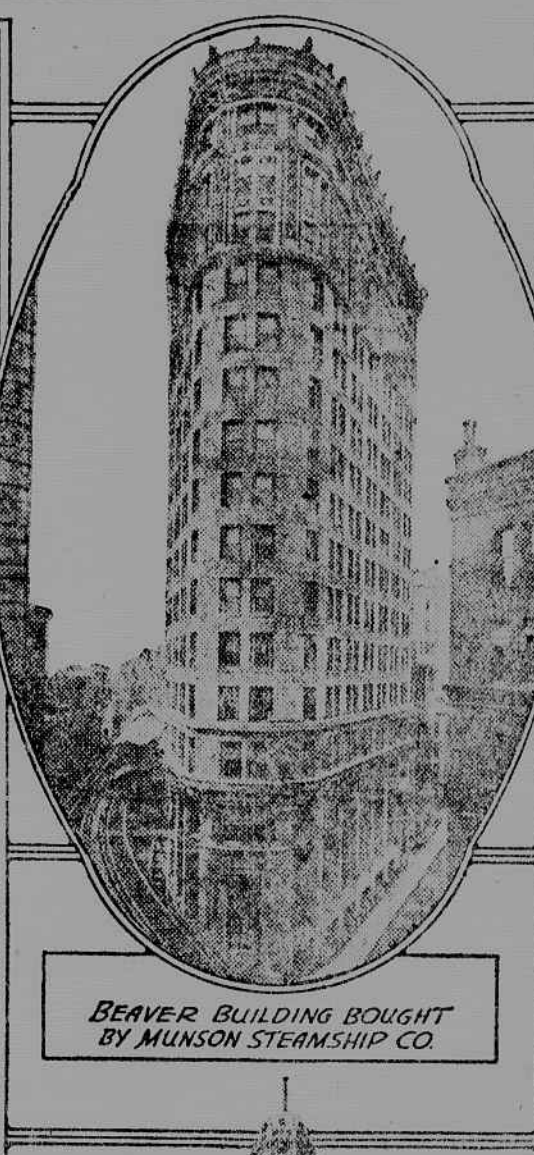
# Reminders of Deals That Thrilled Realty Market This Year



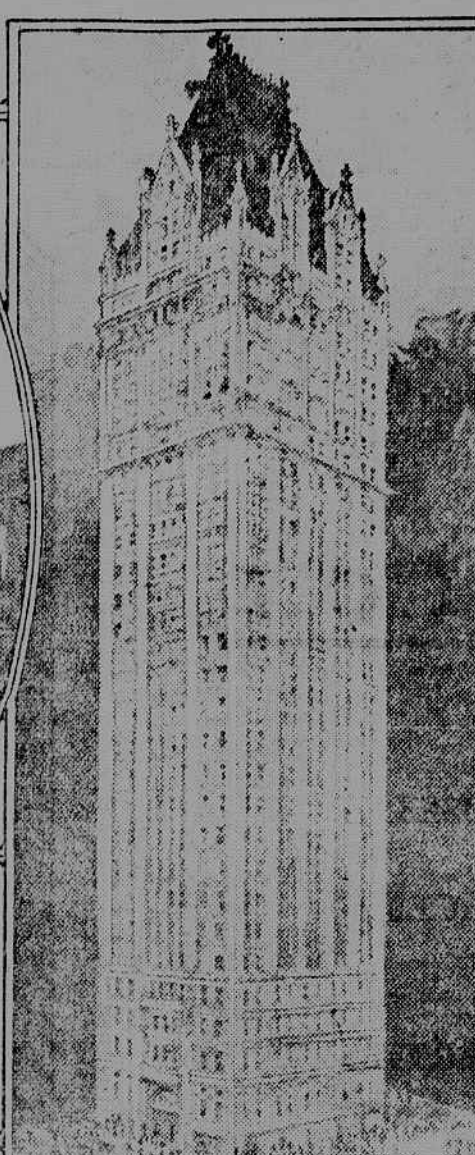
EMPIRE BUILDING BROADWAY and RECTOR ST. BOUGHT BY UNITED STATES STEEL CORPORATION.



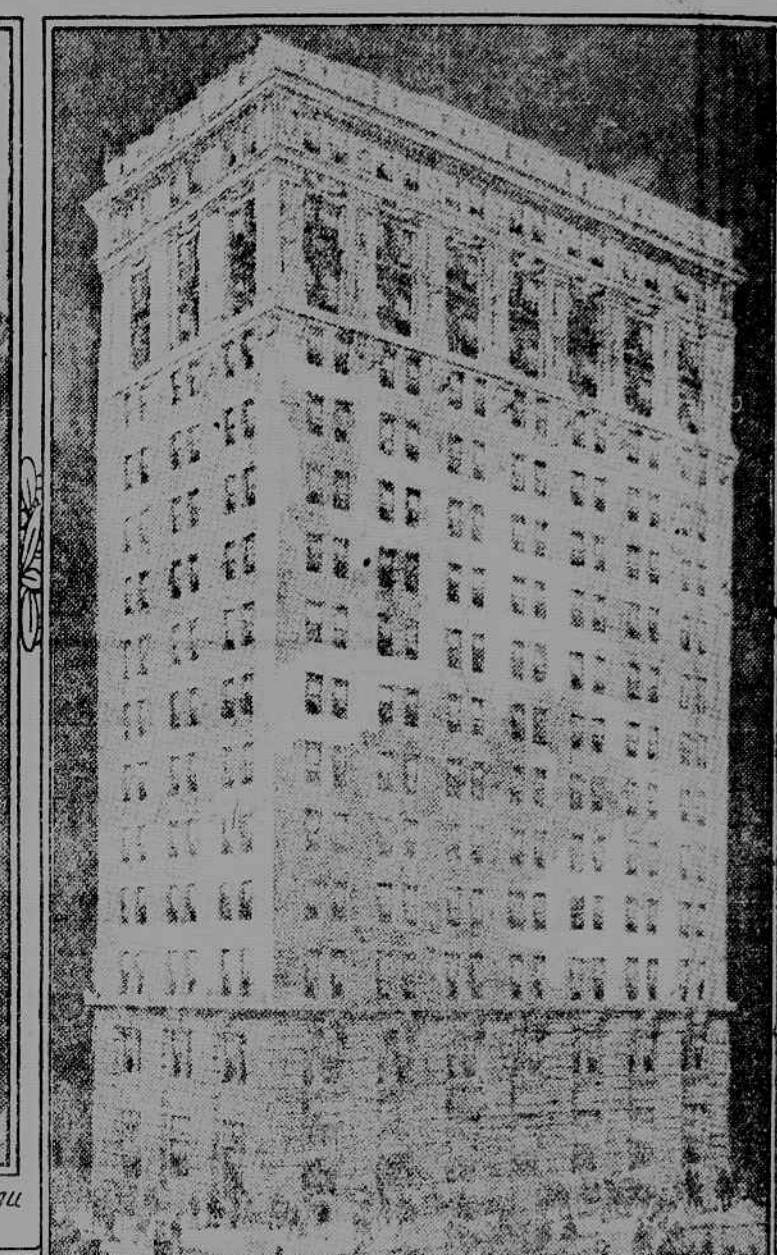
26 BEAVER ST. BOUGHT BY NORTON, LILLY and CO.



BEAVER BUILDING BOUGHT BY MUNSON STEAMSHIP CO.



LIBERTY TOWER, LIBERTY and NASSAU STS. BOUGHT BY SINCLAIR OIL CO.



WILLIAM and CEDAR STREET CORNER BOUGHT BY ROYAL BANK OF CANADA

## Prospects Stamp Real Estate a Field Of Unlimited Investment Opportunity

**Natanson, Whose Operations Total \$40,000,000, Says Values and Rents Will Be Higher; Bases Opinion on Unquestioned Economics; His Advice Is Buy**

By Max Natanson

Buy real estate—I suggested in a short article written for the newspaper last year, and now, upon the beginning of the new year, I urge upon the prospective investor more than ever to take advantage of the market in real estate.

The year that is passing has been the greatest activity in the history of the real estate business. In my opinion, over \$2,500,000,000 of real estate has changed hands. I have bought and sold over \$400,000,000 of real estate in 1919, and still, in my opinion, the surface has only been scratched.

In no sense can this present activity in real estate be classed as a boom. It is a boom only, perhaps, in the fact that such a volume of business is being done and will continue to be done.

A boom is an artificial inflated excitement or enthusiasm based upon some unmerited reason.

The present activity cannot be attributed to any such cause, but is based upon the soundest conditions, conditions not anticipated, but already here.

These conditions have been brought about, first, by the cessation of building, and second, by the natural growth of the city and the expansion of business, and it is for the first time, perhaps, in the history of the city that real estate activity has started on such basic conditions.

The present movement cannot be compared to those which have preceded it, as most former activities were actuated either by new transit lines or "easy money."

New transit lines have not affected the real estate market and money today for real estate is not easy. On the contrary, some leading institutions have not supported the real estate market and in my opinion have made a grave mistake in this regard.

While on this particular subject, however, in my experience, one institution has stood by real estate, and to this institution real estate and real estate men in general owe a large debt of gratitude. I refer to the Metropolitan Life Insurance Company.

The company has not only liberally loaned on well located New York properties, and in this sense has helped greatly to build up the city, but even where, in its judgment, it seemed that a call on a mortgage was necessary, it has displayed fair dealing to real estate and its calls have been made on its long amortization plan, so that its policy is well known throughout the market.

It may be well for buyers of real estate to know that in buying improved properties where the Metropolitan Life Insurance Company has the loan, in addition to the advantages already stated they undoubtedly will get a very well built structure, as it is the policy of this company to watch carefully the construction of buildings in which it is interested in making a loan.

**No Grounds for Lenders' Actions**

Apparently without cause is the non-support of real estate by some of the lending institutions. As a matter of fact, the best security that a savings bank, life insurance company, trust company or lending institution can invest in is real estate mortgages. During the last eight or ten years the investments by these institutions in stocks, bonds and other securities have shown them substantial losses whereas their losses in real estate mortgages have been comparatively nothing.

**Rents Are Going Higher**

Rents during the last two years have increased, and will continue to increase, particularly in business properties. It is the belief of many, particularly tenants, that rents have been increased out of proportion, as in a few cases, in loft sections and business properties, these increases have been over 100 per cent.

Rents have not increased out of proportion.

At a matter of fact they have not yet reached the high mark. When one considers that every other known commodity is today selling for from 100 per cent to 400 per cent over prices of pre-war period, and that before the war even these commodities, at the pre-war prices, were being dealt in at a profit, and when compared with the high for dwelling and business purposes, we will find that in most cases the owner of the property received no return whatever, ran his property at a loss, and in some cases, where the property, owing to this condition, was taken over in foreclosure by the mortgagee, the mortgagee did not earn his interest, so that the rent that the tenant paid at that time was not the real rent that should have been paid, but a rent fixed by the tenant, which the landlord, because of the overproduction of buildings which existed, was forced to accept.

Pre-war rents, therefore, cannot be considered as a basis on which to figure present rents.

**Out-of-Town Firms Wanted Space**

Several months ago I was about to undertake a large venture in the midtown section and expected to have about 40,000 square feet to rent, and in order to satisfy myself that this space could be readily rented I instructed a well known real estate brokerage firm to insert an advertisement for me in several of the New York papers, and the result was that within three or four days they had applications for space totaling over \$3,000,000 square feet. More than 50 per cent of the applications were from out-of-town concerns.

It is therefore repeat that the market has not yet reached the highest rental value, nor the highest sale price. There is an infinitesimal amount of vacant space. In competition for manufacturing space rents will unquestionably be increased.

With these increased rentals there should be corresponding increase in value, for the stabilizing effect of this movement is well marked.

One cannot be censured for dealing in and supporting extensively a market so well and substantially based.

**Situation Similar Elsewhere**

The situation in rentals is not unlike that which exists in other important centers of the country, where a canvass would undoubtedly show a similar upward tendency in renting conditions and values. A strong factor in the present real estate market is that the sale of real estate has not been confined to any one particular section of the five boroughs, but everywhere.

Manhattan, from the Battery to Spuyten Duyvil, and in my belief before long even in the lower East Side, values will rise.

Buy real estate, again I urge, as the present real estate market opportunities will not present themselves again for a long time.

**Importer Purchases Home**

The residence of Eugene F. Aucaigne, bronze designer, on White Plains Road, has been sold through Ashforth & Co. The house has fifteen rooms, three baths, billiard room, music room, conservatory and recreation hall of spacious dimensions. The grounds are attractively laid out with sunken gardens and rare trees. On the site is a garage, with chauffeur's quarters. It has been bought by H. E. Newman, an importer of this city.

**Will Share White Plains Farm**

The Robert E. Farley Organization has sold for M. E. N. S. Leith and Mrs. M. J. Lawrence, part of the Moehring Farm at White Plains, to Mrs. May Howard Ritchie, who will take possession in the near future.

### Buy Real Estate

Buy real estate. Present real estate market opportunities will not present themselves again for a long time. The market's surface has only been scratched. Property values are going higher and rents also, even though people think that they have reached the top level now. The increase in rentals will be noticeable in business sections. The trading is based on sound economics and is not a boom.—Max Natanson.

### New Money Is Carrying Current Buying Movement

Insurance Companies and Many Banks Have Little Funds for Realty, Yet Trading Is Unprecedented

Money that is supporting the current buying movement is not coming from the great reservoirs which carried real estate operations in former times. The well recognized fountains of wealth, life insurance companies, apparently have nearly dried up. They have little money available for real estate investment. The Metropolitan Life Insurance Company is understood to be the only one of the large companies in this city which has placed money in real estate channels. The loans this company has made do not compare either in number or amount with the commitments made by the company during former buying periods. The story is that insurance money is not only scarce, but expensive, the rate being 6 per cent.

As the volume has known in many years, and since the financial support of former days is lacking, it means that a lot of new money is coming into the market, that larger cash payments are being made, and sellers are permitting part of their equity to remain on mortgage.

**New Interests Welcomed**

Brokers are not bewailing the situation. In fact, they are pleased the situation is working out so well, for the market will be strengthened by the new money which must be abundant to carry through all the business which is being done and which is on the table for consummation. The new money, as one broker put it, will invigorate the market.

Real estate has been working practically on the same capital for years. The funds which the life insurance companies have laid aside for real estate investment. These big institutions and several savings banks have been the backbone of the financing system of the real estate. The fact that the entire market depended on these few institutions showed the weakness of the entire situation.

The induction of new money indicates a widening of interest in real estate and a further widening and strengthening of the market. Other moneyed folk will take over the management and offer their money for placement in real estate. Abundance of money will permit extension of the buying field.

Records show 4 per cent and 5 per cent money, but mortgage brokers do not believe this. One told of a New Jersey bank giving money at 4 per cent as recorded, but actually getting 6 per cent.

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We passed so successfully through the transition period that one almost marvels at what has been done with

## World War Has Developed Business Capacity of Nation

**Great Munition Plants, Supposedly a Loss, Have Been Quickly Absorbed in Trade Expansion Since Armistice Day; Auto Makers Coming to Tidewater**

By C. Roy Middlebrook  
Factory placement manager Joseph P. Day Organization

During the year of 1919 we passed through one of the most unusual periods of industrial real estate and many have wondered what would happen to the enormous plants that were erected and operated for war work and what the general conditions would be during the period of transition which we are now passing through.

Some predicted there would be an enormous surplus of factory property which could not be absorbed before passing through a period of depression. Others thought the war plants would be turned immediately by their owners into plants producing products needed during peace times.

Soon after the armistice was signed manufacturers came into the market for large manufacturing space that could be used immediately, thinking it the opportune time to get out of their obsolete plants in which they had manufactured for many years and into a modern up to date factory property.

This naturally started a great activity in all kinds of factory property, and during the first part of the year the great amount of activity led every one to believe that this year would see some of the largest sales of factory property consummated.

**Plant Builders Farsighted Men**

This country owes a great deal to the farsighted manufacturer who was wise enough when erecting plants for war work to so construct and lay them out that they could be used to advantage during normal times.

The changed position of the United States from an enormous importer to a large exporter started many new lines of industry, principally among the chemical manufacturers, shipbuilders, and makers of tool work and many other lines, most of which heretofore had been imported from European countries.

This change of position, of course, brought the water-front properties of this country into a new position. Many new steamship lines were started, and that meant, of course, the establishment on the Atlantic seaboard of many shipbuilding plants and repair yards.

We passed so successfully through the transition period that one almost marvels at what has been done with

so little disturbance. Plants that were used for the making of all kinds of war implements have been turned over to lines of peaceful pursuits, and where we would naturally have expected to find the hands of labor have been absorbed and put to work in the new industries.

**Automobile Industry Moving East**

We learned a great deal during the war about economical manufacturing, and all minds are now turned toward the production of automobiles and there has been a noticeable movement eastward to cities along the Atlantic seaboard. This applies particularly to the automobile industry. Of course, Detroit will always be the big automobile center, but the successful automobile concerns have, or will soon have, plants in the East close to our large cities on the seaboard, which is, of course, the largest market.

This relocation was first carried out by W. C. Durant, president of the General Motors Company, who just prior to the war established the enormous plant of the General Motors Company at Tarrytown, N. Y., near the Hudson River, where in time they will be able to ship by river direct to all points in New York and elsewhere, and along the tracks of the New York Central Railroad, enabling them to make direct shipments by rail from Detroit.

Real estate after the armistice was signed the International Arms and Race Company plant at Bloomfield, N. J., which plant during the war was one of the most active manufacturing time factors. The General Motors Company will use this plant for the manufacture of automobiles. It is, of course, of modern type of construction, having 550,000 square feet of floor space.

The Willys Corporation, manufacturer of the Willys-Overland car, purchased the Duesenberg Motors Corporation plant at Elkhart, N. J., and acquired about fifteen acres of adjoining land in order to enlarge the plant. The Duesenberg Motors plant was used during the war for the making of high speed motors for airplanes and automobiles. It is one of the most modern plants in the Elkhart district. Other automobile concerns have extended their activities throughout the East and elsewhere, and are incorporating and will erect enormous plants in this vicinity, so the time is drawing near when New York and the immediate surrounding territory will be an enormous producer of automobiles and accessories.

**Oil Companies Locating Here**

Another line that has shown great

activity during the year is the oil industry. Some enormous properties in New York Harbor have changed hands and many of the large oil concerns, such as the Sinclair Oil Company, White Oil Company and others, are erecting enormous refineries and distributing stations. With the coming of oil as the chief fuel, the oil industry has promise of far surpassing any of its previous years of prosperity.

Foreign concerns have been attracted to this country, and several English oil companies have purchased land and plan the erection of refineries and distributing stations.

The foreign steamship lines have taken great hold in this country, and if the predictions of 1919 are carried out the United States will be the leader of the world in manufacturing, shipping and all kinds of industrial enterprises. This is not the time to be a pessimist. Big interests are again optimistic as to our future, and as soon as our labor troubles are settled, which have promise of being settled in the very near future, our prosperity will increase greatly.

### One Reason Why Property Here Is a Good Investment

One reason why New York real estate is regarded universally as a good investment, and which furnishes a basis for argument for higher property values, is the greatness of the Port of New York.

During the year which will be closed soon nearly half of the foreign trade of the country passed through New York. Statistics show that of the total exports of the United States 433 per cent cleared from this port, and that 413 per cent of foreign importations were handled here.

Though the percentage is formidable in size, it does not represent the full possibilities of the Port of New York. Of the great North American shipping points Montreal comes second to New York, with a total foreign trade of \$200,000,000 for the year.

Figures which have been compiled by the Merchants' Association show that there was a lively competition among Boston, Philadelphia, Baltimore, New Orleans, San Francisco and Seattle for the position of second largest foreign trade port in the United States. New Orleans was the first time in several years, and Philadelphia very close behind. Seattle was the second busiest port during the preceding year. It is fourth this year, with Boston fifth, San Francisco sixth, Detroit seventh, Baltimore eighth, Galveston ninth and Buffalo tenth.

"Taking then, this plan, whose location will be determined by the location and construction of the tunnel, at the beginning, there can be no doubt that it will provide a plan for the improvement of the water-front area from the Chelsea section and seaward to the Battery, which will provide the Port of New York with a pier project of reconstruction that will be in harmony with New York's preeminence as the greatest port not alone in the United States but in the world."

**Land Is Being Bought for Development**

A real forecast of what we may expect in the near future is the fact that many large industries which have been looking around for several months past for modern manufacturing sites have found there have been so quickly absorbed that they must now buy vacant property and make their own improvements. This has brought a great deal of activity in vacant land suitable for industrial developments.

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### Struggling Along on 48-Year-Old Pier Plan

New York is trying to advance as a great maritime city on a pier plan forty-eight years old and prepared to meet the water front requirements of the city of those days. Waterfront business today is not to be compared with shipping volume of 1871, when the pier development on the North River was planned.

Murray Hulbert, Commissioner of Docks, in a talk to real estate men recently, is credited with saying: "48 years ago, there are fifty-four piers on the North River between Vesey Street and Perry Street."

"These piers were built substantially in accordance with the plan laid out by Major General George B. McClellan and approved in 1871—forty-eight years ago."

"Of these thirty-four piers: Only one pier is 125 feet wide (the old American Line pier at Fulton Street); three piers are 100 feet wide; one pier is 90 feet wide; five piers are 80 feet wide; nine piers are 75 feet wide; two piers are 70 feet wide; one pier is 65 feet wide; one pier is 62 feet wide; four piers are 60 feet wide; four piers are 50 feet wide; two piers are 45 feet wide; and one pier (which can't be termed anything but a dump) is only 40 feet wide."

"Practically all of these piers are more than twenty-five years old, and in many instances, the inshore ends, as is out to the pierhead line of 1871, are 40 to 45 years old."

"The time is ripe for the inauguration of a movement for the modernization of these piers, because in the construction of the vehicular tunnel from Canal Street to New Jersey, a modern up-to-date pier 1,000 feet long and 150 feet wide can be constructed so that it will not only offer protection to the tubes, but also provide for adequate ventilation—one of the big questions to be solved in the successful operation of a vehicular tunnel of such dimensions as that proposed."

"Taking then, this plan, whose location will be determined by the location and construction of the tunnel, at the beginning, there can be no doubt that it will provide a plan for the improvement of the water-front area from the Chelsea section and seaward to the Battery, which will provide the Port of New York with a pier project of reconstruction that will be in harmony with New York's preeminence as the greatest port not alone in the United States but in the world."

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## Real Estate Problems

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